mation is being collected and will be laid on the table of the House.

[*Translation*]

Monghyr Gun Factory

2581. SHRI BRAHMANAND MANDAL: Will the Minister of DEFENCE be pleased to state:

(a) whether the Government propose to set up gun testing centre at Monghyr Gun Factory itself;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether there is any proposal to manufacture pistols and revolvers in this factory;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF DFENCE (SHRI SHARAD PAWAR): (a) to (f). The Monghyr Gun Factory is a private sector unit which was in existence even prior to the declaration of the Industrial Policy Resolution (IPR) 1956. Although as per this policy manufacture of arms and ammunition is reserved for the State Sector the units which existed prior to the declaration of the IPR 1956 were allowed to continue their manufacturing business subject to various conditions. One of the conditions was that revolvers pistols, rifled weapons and their ammunition were not to be manufactured in such units. They were allowed to manufacture only Muzzle Loading Breech Loading Guns, blank fire and live cartridges. There has been no change in this regard even in the revised policy declared in 1991.

2. Government has no proposal to set up any gun testing centre at Monghyr Gun Factory. The testing of fire arms manufactured in this unit is already being done in the proof test house at Ichapore in West Bengal under the Ministry of Defence.

[*English*]

Tax Evasion by Transport of Goods through Railways

2582. SHRI NARAIN SINGH CHAUDHRI: Will the Minister of FINANCE be pleased to state:

(a) whether there is no provision in the Railway Act, 1989 to furnish various forms stipulated in the Central Excise and Salt Act, 1944 and the Central Sales Tax Act, 1956 in respect of goods transported by the railways whereas these provisions of the Acts are strictly adhered to in the case of goods transported by road.

(b) if so, whether the Government have considered this aspect of tax evasion by the companies by transporting goods through the railways; and

(c) if so, the steps proposed to be taken by the Government to plug this loophole of tax evasion?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) and (c). The alleged evasion of sales tax through transportation of goods by railways was discussed in the Chief Ministers' conference held in February 1989. A Committee comprising of Central Government and some State Government officials has been constituted to study the problem and suggest remedial measures.